

TO: State Directors
Rural Development

ATTN: Community Facilities Program Managers

FROM: James C. Alsop
Acting Administrator
Rural Housing Service

SUBJECT: Poverty Line Guidelines for Rural Housing Service

PURPOSE/INTENDED OUTCOME:

We are issuing this Administrative Notice (AN) to notify Rural Development personnel managing the Rural Housing Service programs of a change in the poverty line income figures.

COMPARISON WITH PREVIOUS AN:

This AN replaces and updates RD AN No. 3542 (1942-A) dated April 27, 2000, and expired on April 30, 2001.

IMPLEMENTATION RESPONSIBILITIES:

Effective April 15, 2001, and continuing until further notice, the poverty line referred to in 7 CFR part 1942, subpart A, and 7 CFR part 3570, subpart B, is \$17,650 per year for all States except Alaska and Hawaii. The applicable poverty line is \$22,070 for Alaska and \$20,300 for Hawaii.

We are attaching the Department of Health and Human Services (HHS) web page listing poverty guidelines for your information. The list provides an update of the HHS poverty guidelines to account for last year's increase in prices as measured by the Consumer Price Index.

Attachment

EXPIRATION DATE:
May 31, 2002

FILING INSTRUCTIONS:
Preceding RD Instruction 1942-A



**Computations for the
2001 Annual Update of the HHS Poverty Guidelines
for the 48 Contiguous States and the District of Columbia**

(1) Size of family unit	(2) Poverty thresholds for 1999 (weighted averages)a/	(3) Column 2 multiplied by 1.034 price inflation b/	(4) Difference between successive Column 3 entries	(5) Average difference in Column 4c/	(6) February 2001 Poverty guidelines
1	\$8,501	\$8,790			\$8,590
			\$2,449	\$3,020	
2	10,869	11,239			11,610
			2,503	3,020	
3	13,290	13,742			14,630
			3,866	3,020	
4	17,029	17,608			17,650d/
			3,203	3,020	
5	20,127	20,811			20,670
			2,689	3,020	
6	22,727	23,500			23,690
			3,293	3,020	
7	25,912	26,793			26,710
			3,159	3,020	
8	28,967	29,952			29,730

a/ Column 2 entries are from U.S. Census Bureau, Current Population Reports, Series P60-210, *Poverty in the United States: 1999*, Washington, D.C., U.S. Government Printing Office, September 2000, Table A-2, p. A-4.

b/ Price inflation calculated from Table 7 (1A) of U.S. Department of Labor, Consumer Price Index press release (USDLE-01-18), January 17, 2001. (The Consumer Price Index (CPI-U) for all items was 166.6 for calendar year 1999 and 172.2 for calendar year 2000, an increase of 3.4 percent.)

c/ The arithmetic average of Column 4 entries, rounded to the nearest multiple of \$20.

d/ Obtained by multiplying the average poverty threshold for a family unit of four persons for 1999 (\$17,029, from Column 2) by the price increase factor from 1999 to 2000 (1.034) and rounding the result upward to the nearest whole multiple of \$50. All other entries in Column 6 are obtained by successive addition or subtraction of the average difference (\$3,020) to the size-4 2001 guideline entry (\$17,650).

For Alaska and Hawaii, where the cost of living is traditionally believed to be significantly higher than in other states, scaling factors of 1.25 and 1.15, respectively, are applied to the 2001 guideline for a family of four for the 48 contiguous states, and the results (if not already a multiple of \$10) are rounded upward to the nearest whole multiple of \$10. (These scaling factors were based on Office of Economic Opportunity administrative practice for these two states only beginning in the 1966-1970 period.) These scaling factors are applied to the average difference for the 48 contiguous states (Column 5) to obtain average differences for Alaska and Hawaii for deriving guidelines for other family sizes. For families with more than 8 members, add the following amount for each additional person: \$3,020 (48 contiguous states and the District of Columbia); \$3,780 (Alaska); \$3,470 (Hawaii).

For computations for the 1992 poverty guidelines, see Gordon M. Fisher, "Poverty Guidelines for 1992," *Social Security Bulletin*, Vol. 55, No. 1, Spring 1992, p. 44, Table 2.

For computations for the 1985 poverty guidelines, see *Federal Register*, Vol. 50, No. 46, March 8, 1985, p. 9518.

[Return to the 2001 Poverty Guidelines page.](#)

[Return to the Poverty Guidelines, Research, and Measurement main page.](#)

Last updated 02/16/01